NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Ioff = Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision

PAID UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 16th day of April, 2008, by and between Shine Express Car Wash III, Ltd., as Lessor, whose address is: 1505 E Abram St., Arlington, TX 76010 and FOUR SEVENS ENERGY CO., LLC, 201 Main Street 1455, Fort Worth, Texas, 76102, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described

land, hereinafter called leased premises:

Tract #1 - Lots 3, 4, 6, 6, 7, 8, Block 28 Prospect Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the map or plat recorded in Volume 63, Page 59 of the deed records of Tarrant County, Texas. Save and except from Lot 4 an undivided one-half (1/2) interest in all oil, gas and other minerals reserved by Annie E. Williams in deed recorded at Volume 3147, Page 17, Deed Records, Tarrant County, Texas

Tract #21 - Lot 22, Block 28 Prospect H Volume 63, Page 59 of the Deed records, Block 28 Prospect Heights, an addition to the City of Fort Worth, Tarrant County, Texas, according to the map or plat thereof recorded in

in the County of Tarrant, State of TEXAS, containing 1.3059 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oit and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil
or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in
effect pursuant to the provisions hereof.

or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be 25% of such production, to be delivered at Lessee's option to Lessor at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be 25% of the proceeds realized by Lessee from the sale thereof; less a proportionate part of ad valorem laxes and production, severance, or other evise taxes, provided that Lessee shall have the continuing right to purchase such production at the prevailing where the continuing right to purchase such production at the prevailing where the continuing right to purchase such production at the prevailing where the continuing right to purchase such production at the prevailing where the continuing right to purchase such production therefore is such a prevailing in the same field, then in the nearest field in which there is such a prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase combards enhanced in the same or nearest preceding date as the date on which the nearest field in which there is no such price then prevailing in the same field, then in the nearest field in which there is no such price then prevailing price) pursuant to comparable pursuant or more wells on the leased premises or lands pooled therewith and the prevailing price) pursuant to comparable of either producing of either producing o

at the last address known to Lessee shall constitute proper payment. If the depository should figuidate or be succeeded by another institution, or for any reason fail or refuse a caccept payment hereunder, Lessor hall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, as depository agent to receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee chills a vell which is incapable of producing in paying quantities (horeinaffur called "dry hole") on the lessed premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently casess from any cause, including a revision of unit boundaries premate the provisions of Peragraph 6 or the action of any governmental eatherity them in the event like lesse is not otherwise being maintained in force that a contract the primary term, or at any time thereafter, this lesse is not otherwise being maintained in force but Lessee state mention of operations are prosecuted with no essention of more than 90 consecutive days, and if any such operations result in the production of paying as any one or more of such operations are prosecuted with no essention of more than 90 consecutive days, and if any such operations result in the production of paying quantities berefund, Lessee shall drill such additional wells on the lessed premises or lands pooled therewith. After completion or production in paying quantities berefund, Lessee shall drill such additional wells on the lessed premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the lesseed premises as to formselons the negative production in paying quantities hereunder, Lessee shall have the right but not the obligation to pool after any part of the lessed premises from uncompensated detainage by any well or wells located on other lands or interests. The uncompensated detainage by any well or any part of the lessed premises from uncompensated detai

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, autiministrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or entarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duty authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of

ee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in alt or any portion of the area covered by this lease, the obligation to

- pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produces, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises. except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Noise levels associated with Lessee's operations related to drilling, completion and reworking of wells shall be kept to a reasonable minimum, taking into consideration reasonably available equipment and technology in the oil and gas industry, the level and nature of development and surface use elsewhere in the vicinity of Lessee's drillisites and the fact Lessee's operations are being conducted in or near an urban residential area. If Lessee utilizes any non-electric powered equipment in its operations, Lessee shall take reasonable steps to muffle the sound therefrom by installing a noise suppression muffler or like equipment. Lessee will follow all applicable city ordinances law regarding noise. The Lessee will not place any gas compression station within 1000 feet from the boundaries of the neighborhoods of Frisco Railroad, Frisco Heichtis. s and Prospect Heights.
- Heights and Prospect Heights.

 12. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riol, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 13. Lessee hereby releases and discharges Lessor and the owner of the surface estate, along with their officers, employees, partners, agents, contractors, subcontractors, ouests and invitees, and their respective heirs, successors and assigns (collectively the "Lessor Parties") of and from all and any actions and causes of action
- owner of the surface estate, along with their officers, employees, partners, agents, contractors, sors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action 13. Lessee hereby releases and discharges Lessor and the owner of the surface estate, aring with unit united by the indicate, comproses, particles, and their respective heirs, successors and assigns (collectively the "Lessor Parties"), of and from all and any actions and causes of action of every nature, or other harm, including environmental harm, for which recovery of damages is sought, including, but not limited to, all losses and expenses which are caused by the activities of Lessee, its officers, employees and agents arising out of, incidental to or resulting from, the operations of or for Lessee on or under the leased premises or at the drill site or operations site or that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Lease, or by any other negligent or strictly liable act or omission of Lessee. Further, Lessee hereby agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all strictly latche act or omission of Lessee. Futther, Lessee hereby agrees to be table for, exonerate, indemnify, defend and hold harmless the Lessor Parties against any and all claims, liabilities, losses, damages, actions, property damage, personal injury (including death), costs and expenses, or other harm for which recovery of damages is sought, under any theory including fort, contract, statute or strict liability, including attorney fees and other legal expenses, including those related to environmental hazards on or under the leased premises or at the drill site or operations site or in any way related to Lessee's failure to comply with any and all environmental laws; those arising from or in any way related to Lessee's operations or any other of Lessee's activities in, on or under the leased premises or at the drill site or operations site; those arising from Lessee's use of the surface or subsurface of the leased premises; and those that may arise out of or be occasioned by Lessee's breach of any of the terms or provisions of this Lease or any other act or omission of Lessee, its directors, officers, employees, partners, agents, contractors, subcontractors, guests, invitees and their respective successors and assigns. Each assignee of this Lease, or of an interest herein, agrees to be liable for, exonerate, indemnify, defend and hold harmless the Lessor Parties in the same manner provided above in connection with the activities of Lessee, its officers, employees and agents as described above.
- provided above in connection with the activities of Lessee, its officers, employees and agents as described above.

 14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 15. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

 16. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface easement
- 16. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit.
- Such subsurface easements shall run with the land and survive any termination of this lease.

 17. Lessor hereby warrants and agrees to defend title conveyed to Lessoe hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

 18. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other constraints.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory
heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSOR (WHETHER ONE OR MORE) Shine Express Cap Wash III Ltd.
By Zu Zu
Mark Tinonga
CORPORATE ACKNOWLEDGMENT
STATE OF TEXAS
COLINITY OF TARRANT
This instrument was acknowledged before me on the // day of UDYL 2008 to Mark Tipana as
FIGS I BENT / CTS/USEA C PARTNER of Shine Express Car Wash III, Ltd. on behalf of said corporation.
VIRGINIA K. GORMAN SURGERY Públic, State of Texas
MY COMMISSION EXPIRES VERY sname (printed): UIRGINIO GOLMON
NOVEMBER 10, 2011 Navy's commission expires: Nov. 10, 2011
ACKNOWLEDGMENT
STATE OF TEXAS
COUNTY OF TARRANT
This instrument was acknowledged before me on theday of, 2008, by Mildred L. Russey.
Notary Public, State of Texas
Notary's name (printed);
Notary's commission expires:
STATE OF TEXAS County of
This instrument was filed for record on the day of, 20, at o'clockM., and duly recorded
Book, Page, of therecords of this office.

Clerk (or Deputy)

ADDENDUM

Attached thereto and made a part thereof that certain Paid Up Oil and Gas Lease (No Surface Use) dated the 16th day of April, 2008, by Shine Express Car Wash III, Ltd., as Lessor, and FOUR SEVENS ENERGY CO., L.L.C., as Lessee.

- 19. <u>No Warranty of Title:</u> This Lease is given subject to all mineral reservations of record. Lessor warrants that Lessor is the owner of the Land, but does not warrant title to minerals. Lessee is relying upon its own title search.
- 20. <u>Compression Station:</u> The Lessee will not place any gas compression station within 1000 feet from the boundaries of the neighborhoods of the following subdivisions: Frisco Railroad, Frisco Heights and Prospect Heights.
- 21. <u>Addendum Provisions Govern:</u> The foregoing Addendum and the provisions of the Addendum shall supersede and govern the provisions of the lease, wherever those provisions are in conflict with the Addendum. This lease, including the Addendum, shall inure to the benefit of, and be binding upon the parties hereto and other respective heirs, representatives, successors and assigns.

This instrument is executed on the date first above written.

LESSOR:	
Shine Express Car Wash III, Ltd	
By: Mark Tinonga	-



CHESAPEAKE ENERGY CORP 301 COMMERCE STE STE 600

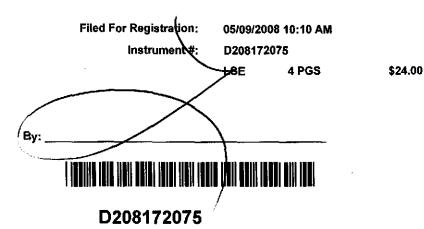
FT WORTH

TX 76102

Submitter: CHESAPEAKE ENERGY CORPORATION

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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